

COMMISSIONER'S OFFICE

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PC-427

OIL CONSERVATION DIV.

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New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.

COMMERCIAL RESOURCES

Phone (505) 827-5724
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ROYALTY MANAGEMENT

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Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

August 22, 2001

Apache Corporation
2000 Post Oak Boulevard
Suite 100
Houston, Texas 77056-4400

Attn: Ms. Debra J. Anderson

Re: Surface Commingling Application
State DA Lease Well Nos. 1 through 7
N/2S/2, Section 16-21S-37E
Penrose Skelly; Grayburg, Blinebry and Drinkard Pools
Lea County, New Mexico

Dear Ms. Anderson :

Your amended application to surface commingle the Penrose Skelly; Grayburg, Blinebry and Drinkard production at the State DA surface facilities was received on August 20, 2001.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 dollar filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS



BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File

OCD--Attention: David Catanach